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DG Employment, Social Affairs and Inclusion

Peer Country Comments Paper - Czech Republic

“Halfway favourable”: labour market and international protection applicants in the Czech Republic

**Peer Review on 'Labour market inclusion of
international protection applicants and beneficiaries'**

Madrid (Spain), 23-24 May 2016



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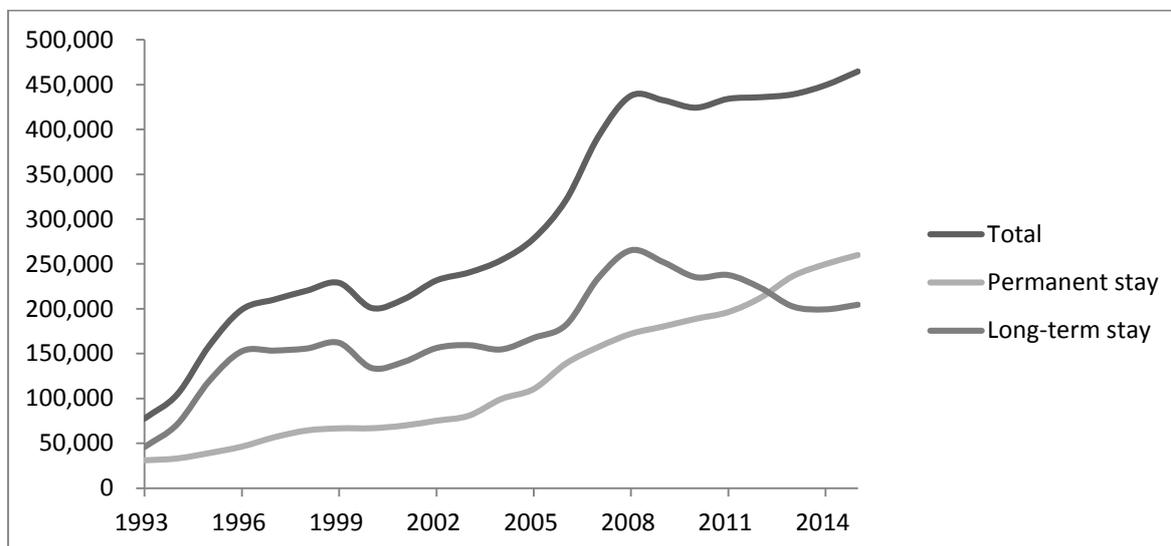
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1 Situation of asylum seekers and refugees in the country

With a total population of 10.5 million people, the Czech Republic had just short of half a million migrants residing in the country in 2015 (464 670 migrants). Chart 1 shows the dynamics of migration to the Czech Republic. One can see that the numbers are quite modest and it becomes clear that the Czech Republic can hardly be called a country with high immigration.

Chart 1: Migrants in the Czech Republic by type of residence (1993-2015)



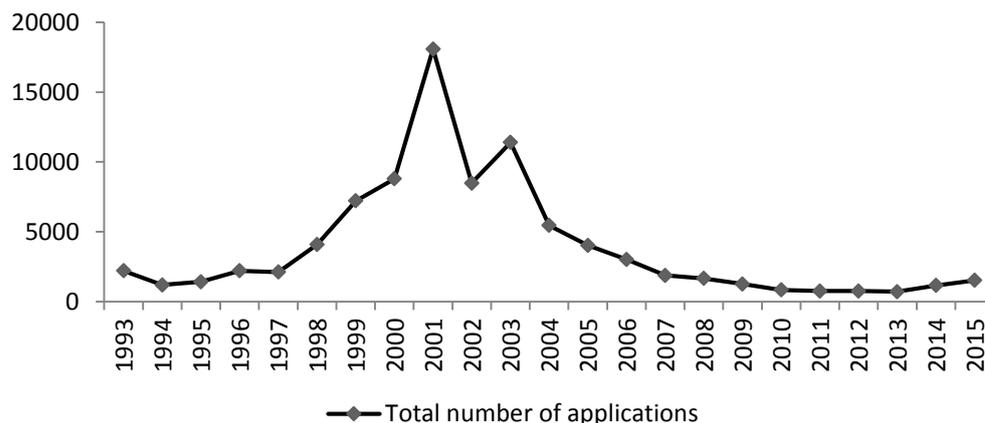
Source: CSO (2016)

Similar to the Host Country, the Czech Republic cannot be regarded as the good example of market integration of international protection applicants and refugees specifically (although the employment rate of non-EU nationals is high). Asylum seekers and refugees mostly use the country as a bridge or a springboard for the neighbouring Germany. The number of applications for international protection in the Czech Republic has never been high in comparison with other EU countries. In 2015, foreign nationals filed 1525 applications for international protection in the Czech Republic. Asylum was granted to 71 people and 399 people were put under the supplementary procedure (permission to stay in the country for a period of between one and three years).

The labour market inclusion of international protection applicants and beneficiaries represents an important issue within the migration and integration policies of various EU Member States. In order to measure levels of integration and labour market inclusion, the "Migrant Integration Policy Index" or "MIPEX" is often employed (see Niessen et al., 2010). The MIPEX is a tool that allows for measuring and comparing diverse aspects of integration, with regard to different migration policy areas such as labour market mobility, education and access to long term residence, among other things. With the data contained in this index, the impact of integration in the immigration surplus can be explained and then used to offer advice on how to improve integration and thus enhance economic benefits for local economy. According to the MIPEX methodology, in 2014 (the last year available for the index), the Czech Republic had an overall score of 45, which falls under the category of "Halfway favourable" (41-59 points) (MIPEX, 2016).

Chart 2 shows the total number of applications for international protection between 1993 and 2015. It becomes apparent that the average annual number of applications is around 2000 with a steep rise in 1999-2004 which was mainly due to the Slovak Roma "holiday" asylum migration (see Strielkowski, 2012).

Chart 2: Total number of applications for international protection (1993-2015)



Source: CSO (2015) and Ministry of the Interior (2015)

Of the top 10 citizenships of applicants, the first place is occupied by Ukraine followed by Syria, Cuba, and Vietnam. It is peculiar that the list is led by the citizens of the states with which former socialist Czechoslovakia had good relations, as well as cultural and economic ties, in the past.

Considering persons with valid international protection residing in the Czech Republic, Belarusian, Russian, and Ukrainian citizens (375, 333, and 292 persons) are on the top of the list (as of 31 December 2014). This arrangement is mainly due to the high number of applications from the nationals of these countries submitted at the end of the 1990s and the beginning of the 2000s, when political turmoil and tensions in these countries led to the massive outward migration to the West (Strielkowski and Sanderson, 2013; Strielkowski and Weyskrabova, 2014; or Ambrosetti et al., 2014).

Overall, the number of granted asylums (a refugee status) in the Czech Republic is very low – between 1 % and 2 % of all applications are approved, preceded by 2-3 years of asylum procedure and a thorough investigation. However, the problem is that during this investigation period, foreign nationals are placed in asylum facilities that are often located in remote areas with little contact with the local culture and environment and a very limited possibility to engage in a paid employment. The main challenges faced by the asylum seekers in accessing services and integrating into the labour market stem from the Czech legislation – the Law no. 101/2014 Coll. and the Act no. 435/2004 Coll., “On Employment” (see more about the legislative framework in the section that follows). Until December 2015, asylum seekers could obtain the work permit only 12 months after applying for the international protection (this waiting period has been recently reduced to 6 months). This long waiting period degraded the professional skills of the refugees and asylum seekers and pushed them towards illegal employment or no employment at all. Due to this fact, the majority of the applicants for international protection in the Czech Republic live on the state support (paid from the State Integration Programme) which make the housing and living costs of refugees and asylum seekers considerably higher than the subsistence minimum in the country.

2 Assessment of migration policy, asylum and labour market regulation in the Czech Republic

In the Czech Republic, migration and the integration of foreigners fall under the agenda of the Ministry of Interior of the Czech Republic. The Ministry of Labour and Social Affairs of the Czech Republic is responsible for labour market policies, including those related to the employment of the foreigners, persons applying under international protection, and refugees. The requests for obtaining short and long term visas are submitted through embassies, therefore it partly falls under the jurisdiction of the Ministry of Foreign Affairs of the Czech Republic. The process goes along these lines: any migrant can become an asylum seeker (a person applying for international protection), in the case that she or he submits an application for the international protection, and, subsequently, is recognized as a refugee if the application is approved.

The main principle of Czech migration policy towards the citizens of the third countries is the possibility of obtaining long-term residence, provided that the applicant meets the conditions based on the purpose of her or his stay (paid employment, study, self-employment, and/or marriage). The number of applicants is calculated via the online registration system called "Visapoint", which determines how many applications for residence permits and visas can be accepted by the individual embassies. Hence, Czech migration policy is not based on formal quotas or a points system, but represents an informal system with a regulated number of visa applications. A combination of the two principles (the quota system and the need to fulfil the requirement for a purpose of stay, for example, by finding a job or getting accepted to the accredited higher education institution) means that some potential migrants who meet all the requirements for the long-term visas do not get an opportunity to apply at all.

After 1993 the Czech Republic quickly became a destination country as well as a transit country. Its migration policy in the late 1990s and early 2000s was relatively liberal until the number of foreigners in the country started to increase, after which there was growing attention paid by the media and the general public to this issue. Despite much effort, no comprehensive national migration strategy was formed, and regulatory practices towards foreigners were tightening. It was the synchronisation with the EU regulations in the context of accession negotiations with the European Union and the harmonization of Czech legislation with EU laws that triggered the new interest in considering migration policy seriously. From 2000 to 2008, the number of foreigners in the Czech Republic doubled and reached 450 000 persons. In spite of this, structural assistance for migrants, as well as their integration into society, remained very poor. Legislation on the migration of foreigners was regulated by the 1999 Act no. 326/1999 Coll. "On the residence of foreigners in the Czech Republic" and the Act no. 325/1999 Coll., "On asylum".

A fundamental change of migration laws was introduced by Law no. 101/2014 Coll., which came into force on 24 June 2014. This law led to the amendment of Act no. 326/1999 Coll. "On the residence of foreigners in the Czech Republic", Act no. 435/2004 Coll., "On Employment", Law no. 262/2006 "Labour Code", Act no. 18/2004 Coll. "On the recognition of professional qualifications", as well as other related laws. The reason for it was the implementation of the European Parliament and Council's Directive 2011/98/EU, dated by the 13 December 2011. The main point of the adjustment was the single authorization ("single permit") which represented the concept of a combined document (employee card) that allows migrants and asylum seekers to stay in the Czech Republic and to engage into paid employment.

Another important change came with the introduction of Law no. 314/2015 Coll., which came into force from 18 December 2015. The Law introduced a new time limit for access to the labour market set for six months (similar to the case of the Host country), in accordance with the EU legislation. This period often coincides with the length of procedures needed to obtain refugee status.

In 2011, about 300 000 foreigners in the Czech Republic (about 70 % of all foreigners in the Czech Republic) were officially employed (the rate of employment for the Czech citizens in the same year was about 55 %). Around one third of them were self-employed (acted as sole traders) and the rest were employees. Men represented two-thirds of all foreigners.

Similar to the situation of the Host Country (Spain), employers, public officials, and relevant stakeholders in the Czech Republic do not have sufficient information about the asylum seekers and refugees' legal status, neither there exist clear statistics about how well the refugees are placed on the Czech labour market (after being granted international protection, they become "locals" in the labour statistics). Moreover, the current refugee crisis acts as a demotivating element, making the employment of "migrants" a very sensitive topic among the Czech potential employers.

3 Assessment of the success factors and transferability

There are hardly any success factors in labour market integration of international protection applicants in the Czech Republic that can be transferred to the Host country. The problems are quite similar to the Spanish case: modest experience in international protection, limited labour market inclusion, insufficient vocational training of asylum seekers, issues with learning the language (the state pays for 400 hours of language tuition but, due to the complexity of the Czech language, for some asylum seekers this might not be enough), the recognition of diplomas and education obtained abroad, unclear situation about the right to work both among asylum seekers and refugees and among the potential employers.

Perhaps, there are two interesting cases from the Czech Republic that can be mentioned:

- Integration of migrants can occur at the regional and local level, with municipalities and counties being the key players of the integration policy: the Czech Ministry of Interior initiated the establishment of regional centres for promote the integration of third country nationals. The centres were financed from the projects partly funded by the European Fund for the Integration of non-EU migrants (EIF) in 2009-2015, and the Asylum, Migration and Integration Fund (AMIF) from 2015 hereinafter.
- Massive engagement of non-profit organizations and NGOs with the issue of international migration, including the labour market integration of international protection applicants into the Czech Republic. There are currently 38 such organizations, including a broad spectrum of entities, including such famous ones as Člověk v tísni (People in Need), or Multikulturální centrum Praha (Multicultural centre Prague). These NGO are very succesful in preparing interesting and timely projects and securing EU funding.

Comparing the Czech situation with the Host Country, the scope of the problem is different too: over 4 million third-country nationals obtained a resident permit in Spain between 2000 and 2014 and the orientation towards the Spanish-speaking Latin American countries has also contributed to the picture. Moreover, Spain itself (due to its geographical location on the crossroads of migration and its proximity to the Northern Africa) faces considerable incoming migration. The Czech Republic is in a different position: it does not border any non-EU country, issued only 464 670 residence permits up to today, and uses a Slavic language that is difficult to master and that is not spoken or understood anywhere else (except for the neighbouring Slovakia and, perhaps, Poland).

The motivation of asylum seekers and refugees is also different: while for many asylum seekers from Syria (in the recent years, the majority of applicants for asylum in Spain originate from this country alongside with Ukraine), Spain appears to be a favourable destination and migration target country, migrants from the Middle East and Africa do not feel very welcomed in the Czech Republic and are rather interested in neighbouring Germany. An interesting similar feature between both countries is the increase in the number of asylum seekers from Ukraine – perhaps some interesting parallels and comparisons can be drawn to map the profile and motivation of these refugees and their progress in labour market integration in both countries.

4 Questions

The question arises: what is the economic impact of migration on the host country's labour market, expressed in monetary terms? The scientific community as well as the general public are keen on seeing the actual results of incoming migration and the real outcomes of migration policies.

In the Czech Republic, the answer to this question may be found in the so-called "immigration surplus model", which is currently one of the most credible and verifiable ways of measuring the impacts of immigration on the economy of the receiving country; it has been widely applied in the research literature (see e.g. Bilan and Strielkowski, 2016). It can be shown that the immigration surplus (the benefits from incoming labour migration to the Czech Republic) constituted about 0.04 % of GDP in 2009 (around EUR 3 million for the EUR 160 billion Czech economy) (see Stojanov et al., 2011). This demonstrates that migration has a net positive effect on the economy of the receiving country and the overall welfare effect is almost always likely to be positive.

Economically speaking, it might be more rational to allow the refugees and asylum seekers to become self-sufficient in the economic sense. Micro-credits, stimulation for opening their own business ventures and a pro-active approach towards their economic and social integration might yield better results. According to the Decree no. 198/2008 Coll., the total monthly costs of meals and accommodation in Czech asylum facilities was CZK 8160 per person (around EUR 302) per month. At the same time, the subsistence minimum for the Czech residents set by the Decree no. 409/2011 Coll. is CZK 3410 (around EUR 126) per person per month (the minimum does not include the housing costs). With regard to the above, it would be interesting to learn what are the economic costs and benefits of international protection and labour market inclusion in the Peer country.

5 Conclusions

Czech Republic represents an immigration country with all its characteristic features, yet the nature of incoming migration is somewhat different from the other EU Member States, especially those constituting the EU15 countries. The majority of migrants from such countries – and from Syria and Afghanistan – use the Czech Republic as a “bridge to the West” (mainly Germany and France), while those residing in the country are people of Slavic origin from the Russian Federation, Belarus, and Ukraine. The majority of these international protection applicants and beneficiaries quickly find their way into the Czech labour market and successfully integrate into the society, with two-thirds of them operating as sole traders.

The Czech Republic remains “halfway favourable” for international protection applicants and beneficiaries (a terminology set up by the MIPEX index methodology which attributed the Czech Republic an overall score of 45 giving it between 41 and 59 points). The labour market inclusion of refugees and asylum seekers still faces many problematic issues and requires constructive structural changes. Despite the recent amendments due to the EU regulations (reduction of waiting times to 6 months), the situation with the employment of refugees and asylum seekers remains unclear and unsupported both by the potential employers and the general public (especially in the light of the recent refugee crisis). Integration into the Czech society also remains a problem – it appears that mostly migrants from the former Socialist countries distinguished by their language and cultural proximity are successful, while other nationals merely view the Czech Republic as a “transition” country for further migration to the West.

Annex 1: Summary table

Situation of asylum seekers and refugees in the country

- Czech Republic has quickly become a destination and transit country, yet its approach towards international protection applicants and beneficiaries remains largely undeveloped
- The country cannot be regarded as the good example of market integration of international protection applicants and refugees
- The country is hardly attractive for asylum seekers and refugees; they mostly use it as a springboard for the neighbouring Germany.
- The number of applications for international protection in the Czech Republic has never been high, in comparison with the other EU countries.
- In 2015, 1525 applications for international protection were submitted in the Czech Republic. Asylum was granted to 71 people

Migration policy and the labour market

- There is no central migration strategy, although the EU accession in 2004 made policy-makers devote more attention to this issue
- The current combination of two principles (requiring applicants to fulfil the purpose of their stay but also having a quota system in place) can be problematic; for example, some potential migrants who meet all the requirements for the long-term visas can be non-eligible to receive them.
- Of about 70 % of all officially employed foreigners in the Czech Republic, about one-third were self-employed (sole traders).
- In 2009, the immigration surplus (the benefits from incoming labour migration to the Czech Republic) constituted about 0.04 % of GDP (around EUR 73 million)
- Immigration has a net positive effect on the Czech economy and the overall welfare effect is almost always likely to be positive.

Assessment of the success factors and transferability

- There are few success factors in the labour market integration of international protection applicants in the Czech Republic that can be transferred to Spain.
- There are differences between Spain and the Czech Republic when it comes to the motivation of asylum seekers and refugees, as well as the scale of the inflows.

Questions

- What is the economic impact of migration on the host country's labour market, expressed in monetary terms?
- What are the actual results of incoming migration and the real outcomes of migration policies?
- How do non-governmental organizations engage into the migration initiatives and how successful are they in obtaining the funds (EU or local) for realizing these initiatives?

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